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[Bianchi, Constanza, Pike, Steven D., & Lings, Ian](#)  
(2014)

Investigating attitudes towards three South American destinations in an emerging long haul market using a model of consumer-based brand equity (CBBE).

*Tourism Management : Research, Policies, Practice*, 42, pp. 215-223.

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DOI: 10.1016/j.tourman.2013.11.014

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<https://doi.org/10.1016/j.tourman.2013.11.014>

**Bianchi, C., Pike, S., & Lings, I. (2014). Investigating attitudes towards three South American destinations in an emerging long haul market using a model of Consumer-Based Brand Equity (CBBE). Tourism Management. (IN PRESS).**

## **Investigating attitudes towards three South American destinations in an emerging long haul market using a model of Consumer-Based Brand Equity (CBBE)**

### **Abstract**

Despite the importance of destination image in market competitiveness, and the popularity of the field within tourism literature, there remains a dearth of published research examining travellers' perceptions of destinations in South America. This manuscript addresses this gap by testing a model of consumer-based brand equity (CBBE) associated with three South American countries; Chile, Brazil and Argentina. The introduction of direct air links and a free trade agreement in 2008 has led destination marketing organisations (DMOs) in these countries to increase promotional efforts in the Australian market. This study shows that the CBBE model is an appropriate tool to explore consumers' attitudes in the long haul travel context. The findings provide DMOs of the three countries studied, with benchmarks against which to compare the impact of future marketing communications in Australia. The results provide increased transparency and accountability to stakeholders, such as South American tourism businesses and Australian travel intermediaries.

### **Key words:**

South America, Argentina, Brazil, Chile, consumer-based brand equity (CBBE), destination branding

# **Investigating attitudes towards three South American destinations in an emerging long haul market using a model of Consumer-Based Brand Equity (CBBE)**

## **1. Introduction**

Developing and sustaining competitiveness is the quintessential goal for destination marketing organisations (DMOs) worldwide. Intense competition for destination visitors has been highlighted at a global level, with two thirds of all international travellers visiting only 10 countries (see Morgan, Pritchard, & Pride, 2002). At a national level, such as in the USA, an estimated 20,000 cities, 3400 counties, 126 America's Byways and 12800 National Historical Districts compete for consumer attention (Baker, 2007).

Although extensive destination competitiveness research has been undertaken (e.g., Dwyer & Kim, 2003; Ritchie & Crouch, 2003), very few studies have considered travellers' perceptions of destination brands in the South American region (De Moya & Jain, 2013). It has long been acknowledged that the image that consumers hold of a place are related to the tourism viability of the destination (e.g., Hunt, 1975). At the national level, achieving positive destination branding and competitiveness can be particularly difficult, as has been reported in studies conducted on Eastern Europe (Davidson, 1992; Hall, 1999), sub-Saharan Africa (Brown, 1998), Jordan (Hazbun, 2000; Schneider & Sönmez, 1999), Ethiopia (Shanka & Frost, 1999), Turkey (Martínez & Alvarez, 2010; Okumus & Karamustafa, 2005), and Cameroon (Kimbu, 2011). The macro destination of interest in this study is South America, where international tourism competitiveness has been impeded by a range of issues such as military dictatorships, war, illegal drugs cartels, terrorism, economic instability and high crime rates (Burton, 1995; Ritcher, 1992; Ryan, 1993; Santana, 2000).

In the 1990s South America emerged as a potential tourism destination for long-haul developed markets, with Brazil, Argentina and Chile as the main players in the region (Sobral, Peci, & Souza, 2007). The transition to democracy, the consolidation of economic blocks, the growth of trade with major world markets, the improvement of basic public services, and massive investments in infrastructure, contributed positively to the development of tourism in these South American markets (Santana, 2000).

Research investigating brand attitudes held by consumers of destinations in South America is important for a number of reasons. First, many countries in the region have returned to democratic government and are increasing investments in tourism developments. Second, travel demand to the region is growing rapidly, with an increase in arrivals of 10% in 2012 representing the strongest expansion in the world (WTO, 2012). Third, despite recognising the need for research investigating demand for travel to Latin America 40 years ago (e.g., Jud & Joseph, 1974), there has been a lack of progress in tourism research addressing this issue (Rezende-Parker, Morrison, & Ismail, 2003). As a consequence, there is limited information available to guide the expanding South American tourism industry. Fourth, while destination image is a commonly researched topic in the tourism literature, there remain very few published studies investigating perceptions of South American destinations (e.g., Pike, 2002, 2007). Fifth, despite substantial differences in language, infrastructure, climate, topography, history and culture among the South American countries, previous research suggests that they are largely undifferentiated by many international travellers (e.g., Rezende-Parker et al., 2003; Shani, Wang, Hudson, & Gil, 2009). Sixth, national tourism stakeholders in the 12 separate South American countries are showing an increased willingness to cooperate with, for example MARKTUR 2011; the first pan-Latin American tourism industry conference. In addition, forthcoming mega events in Brazil, such as the 2014 football World Cup and the 2016 Olympic Games, will increasingly draw global attention to the region.

This paper contributes to the literature on long haul destination brand loyalty and the development of tourism in the region by a) evaluating the suitability of a CBBE model for three South American countries as long haul destinations for Australian travellers, b) testing the relationships among the proposed dimensions of destination CBBE, and c) providing benchmarks of the perceptions and attitudes that Australian travellers have of Chile, Argentina and Brazil; countries that are increasingly considered as long haul destinations by Australians. Recent academic interest in emerging markets has resulted in at least two calls for research examining emerging markets; special issues of the *International Journal of Leisure and Tourism Marketing* (Destination branding in emerging markets), and the *Journal of Hospitality and Tourism Management* (Expanding the knowledge base on emerging markets), to be published in 2013.

Two important initiatives in 2008 were responsible for the emergence of the Australian market for South American destinations. Qantas launched a direct air service between Santiago and Sydney, and Australia signed its first Latin American free-trade agreement with Chile (Fraser, 2009). Since 2008, Chile, Argentina and Brazil have all commenced new promotional strategies aimed at Australian travellers. These are mentioned in a statement by Tourism Chile (LATAM, 2012, p.5):

Australia is a growth market for us and one which will continue to build... We are coming to Australia in response to demand from Australian wholesalers and travel agents now seeking more and different information about how to package and sell travel opportunities to more of South America.

According to the Australian Bureau of Statistics (2013), short term international departures by Australian residents more than doubled over the past decade, with the top 10 most visited destinations showing triple digit growth between 2002 and 2012 (see Table 1). In 2002 the most frequently cited reasons for travel were holiday (43%), visiting friends and

relatives (25%) and business (16%). By 2012 the relative proportions had changed to 57%, 23% and 10% respectively. Following the 2008 global financial crisis, growth in outbound travel by Australians has been attributed to the Australian Government's economic stimulus packages of 2008 and 2009, the introduction of low cost air carriers, and the strong Australian dollar. In 2012 the median length of time spent overseas was 15 days (ABS, 2013).

**Insert Table 1 here**

Table 2 highlights the increasing departures to South America destinations by Australian travellers, albeit coming from a small base, and still representing a small percentage of total outbound travel.

**Insert Table 2 here**

Overall, the aim of this study is to test a model of consumer-based brand equity (CBBE) in the context of an emerging long haul market. The remainder of this article is organised as follows: The next section reviews the literature on destination branding and antecedents of attitudinal brand loyalty. We develop specific hypotheses drawing on the consumer-based brand equity (CBBE) model (Aaker, 1991, 1996; Keller, 2003). This is followed by a detailed description of the research methodology and the findings of the study. The manuscript concludes with a discussion of the implications of the research.

## **2. Literature Review**

The consumer-based brand equity (CBBE) hierarchy promoted by Aaker (1991, 1996) and Keller (2003) has attracted increased attention from tourism researchers over the past decade, as a means to measure the effectiveness of branding. The CBBE framework has been applied and tested in a variety of tourism contexts including: wineries (Lockshin & Spawton, 2001),

hotels (Cobb-Walgren, Beal, & Donthu, 1995; Kayaman & Arasli, 2007; Kim, Kim, & An, 2003; Kim, Jin-Sun, & Kim, 2008), restaurants (Kim & Kim, 2005), conferences (Lee & Back, 2008) and airlines (Chen & Tseng, 2010). Since 2001, CBBE studies on destination branding have included country destinations such as Slovenia (Konecnik & Gartner, 2007), Malaysia (Man, 2010), Korea (Kim, Han, Holland, & Byon, 2009), Mongolia (Chen & Myagmarsuren, 2010), and a regional Australian destination (Pike, 2007). While most studies model CBBE from the perspective of travellers, Pike and Scott (2009) reported host community brand equity for a state capital. In line with previous studies, the conceptual model used in this study comprises five latent variables (see Figure 1); brand loyalty, brand salience, brand association, brand quality and brand value.

**Insert Figure 1 here**

### *2.1 Destination brand loyalty*

Following the conceptual work of Aaker (1991, 1996) and Keller (1993; 2003), *attitudinal loyalty* towards a destination brand is the dependent construct in our model. Loyalty is viewed a key driver of performance in today's competitive environment. Despite first appearing in the literature over 70 years ago (e.g., Guest, 1942), brand loyalty has only recently attracted the attention of tourism academics, and interest in destination loyalty is growing (e.g., Alegre & Juaneda, 2006; Bianchi & Pike, 2011; Bosnjak, Sirgy, Hellriegel, & Maurer, 2010; Chen & Gursoy, 2001; Croes, Shani, & Walls, 2010; Forgas-Colla, Palau-Saumellb, Sánchez-García, & Callarisa-Fiolc, 2012; Mechinda, Serirat, & Guild, 2009; Niininen, Szivas, & Riley, 2004; Oppermann, 2000; Phillips, Wolfe, Hodur, & Leistritz, 2013; Prayag & Ryan, 2012; Yoon & Uysal, 2005; Yuksel, Yuksel, & Bilim, 2010).

Loyalty infers commitment to a brand, and therefore goes beyond repeat purchase (Jacoby & Kyner, 1973). Previous research suggests two dimensions of loyalty: behavioural loyalty

and attitudinal loyalty (Jones & Taylor, 2007; Li & Petrick, 2008). Behavioural loyalty refers to the frequency of repeat purchase, or relative volume of same brand purchase. In the tourism context, behavioural destination brand loyalty would be manifested by repeat visits. Attitudinal loyalty refers to the dispositional commitment or attitude a consumer has toward a brand. In the context of this study, attitudinal destination brand loyalty would be manifested by positive feelings towards a destination. For long haul travel, attitudinal destination brand loyalty is a more appropriate measure of loyalty than repeat visitation; even the most loyal visitor may not have the wherewithal to repeatedly undertake long haul travel. Attitudinal destination loyalty is measured by intention to visit and positive word of mouth recommendations. In previous studies, it has been considered an appropriate measure of destination loyalty (Alegre & Juaneda, 2006; Chen & Chen, 2010; Eusébio & Vieira, 2013).

## *2.2 Destination brand salience*

Brand salience is the foundation of the CBBE model. The objective of brand salience is to be remembered for the reasons intended rather than just to achieve general awareness per se (Aaker, 1996). Brand salience is commonly measured by unaided awareness or aided brand recall. We conceptualise destination brand salience as the strength of awareness of the destination in the mind of an individual when a given travel situation is considered. Previous research suggests an indirect relationship between destination brand salience and attitudinal loyalty for short haul destinations (Boo et al., 2009). We propose that destination brand salience will also positively influence attitudinal brand loyalty in a long haul travel context.

**H1:** *Destination brand salience positively influences attitudinal destination brand loyalty*

## *2.3 Destination brand association*



Brand association is representative of destination image, and consists of anything linked in memory to the destination that influences evaluation towards the brand (Um & Crompton, 1990). Brand association has been extensively discussed in the tourism literature, with reviews reported by Chon (1990), Echtner and Ritchie (1991) and Pike (2002, 2007). The image that visitors have of a destination plays a key role in travel decisions and is one of the most important factors that influence tourist destination choices and future behavioural intentions (Chen & Tsai, 2007). Despite much attention, there remains no commonly accepted measure of brand association (Gallarza, Saura, & García, 2002). Following Boo et al. (2009), we propose that destination brand association will positively influence attitudinal brand loyalty in a long haul travel context.

**H2:** *Destination brand association positively influences attitudinal destination brand loyalty.*

#### *2.4 Destination brand quality*

Brand quality is a key dimension of CBBE in both the goods and services contexts (Aaker, 1991; Boo et al., 2009; Keller, 2003). Brand quality is defined as the perception of the overall quality or superiority of a product or service (Keller, 2003). In the context of this study, destination brand quality refers to perceptions of quality of attributes for a destination brand. Previous research suggests that quality attributes such as destination infrastructure, accommodation, cleanliness and safety may have a positive effect on brand loyalty and performance (Buhalis, 2000). Similarly, Boo et al. (2009) report a positive effect of brand quality on destination brand loyalty. We propose that attributes of destination brand quality will positively influence attitudinal brand loyalty in a long haul travel context.

**H3:** *Destination brand quality positively influences attitudinal destination brand loyalty.*

## 2.5 Destination brand value

Brand value represents the benefits that customers believe they receive in relation to the costs they bear (McDougall & Levesque, 2000). In the service context, Zeithaml and Bitner (2000) suggest that brand value is an overall evaluation of the utility of a service, based on customers' perceptions of what is received at what price. Heskett, Sasser and Schlesinger (1997) argue that high perceived value is positively associated with satisfaction and loyalty. In the tourism context, a positive relationship between perceptions of value and destination loyalty has been reported by Boo et al. (2009), Chen and Chen (2010), Chitty, Ward and Chua (2007), Mechinda, Serirat and Guild (2009), and Sanchez, Callarisa, Rodriguez, and Moliner (2006). Thus, we propose that destination brand value will positively influence attitudinal brand loyalty in a long haul travel context.

**H4:** *Destination brand value positively influences attitudinal destination brand loyalty.*

## 3. Research Methodology

An online survey was used to collect data from an invited sample of members of a consumer panel managed by an Australian marketing research firm. Following accepted procedure, the survey instrument was first reviewed by a panel of experts, prior to pre-testing with a small convenience sample. The opening questions of the survey asked participants if they had ever taken a holiday in another country, and then to indicate the likelihood of taking a holiday in another country in the next five years. The latter question used a seven point scale anchored at 1 (Definitely not) and 7 (Definitely). Two top-of-mind unaided awareness questions were asked to identify the size and composition of the participants' decision set. No mention of Chile, Brazil or Argentina was made on this opening page.

The second page asked participants to indicate if they had previously visited these countries and to evaluate Chile, Argentina and Brazil in the context of an international holiday using an seven-point scale anchored at 1 (Very strongly disagree) to 7 (Very strongly agree). This scale also included an additional column with the category of 0 (Don't know) to filter out any items that respondents consistently could not answer. We chose this option because if respondents lack knowledge about a topic or a fact assessed in a survey, forcing a response increases the likelihood of random error and consequently decreases the reliability and validity of the survey results (Durand & Lambert, 1988). The final page contained demographic questions.

### *3.1 Measurement of the constructs*

*Destination brand salience* was measured using a four-item scale derived from Boo et al. (2009) and Konecnik and Gartner (2007) to establish the degree of awareness that individuals have about the destination country (e.g., this destination has a good name and reputation), response options were anchored at 1 (strongly disagree) to 7 (strongly agree). *Destination brand association* was measured using a four-item scale drawn from Boo et al. (2009), and Chi and Qu (2008) (e.g., the image of [this destination] is consistent with my own self image). *Destination brand quality* was measured using an adaptation of the scale developed by Konecnik and Gartner (2007) with four items measuring the quality of infrastructure, accommodation and levels of safety and cleanliness (e.g., this destination has high quality of cleanliness), response options were anchored at 1 (strongly disagree) to 7 (strongly agree). *Destination brand value* was measured using a four-item scale adapted from Boo et al. (2009) (e.g., this destination has reasonable prices). Response options were anchored at 1 (strongly disagree) to 7 (strongly agree). The dependent variable in the study, *attitudinal destination brand loyalty* was measured using a three-item scale founded on Boo et al. (2009), Chi and

Qu (2008), and Konecknic and Gartner (2007) (e.g., this destination would be my preferred choice for a vacation). Response options were also anchored at 1 (strongly disagree) to 7 (strongly agree).

### *3.2 Sampling frame*

The sample frame consisted of a panel database of Australian consumers from the three largest cities in the country: Sydney, Melbourne and Brisbane. The survey was distributed online in late 2012, with a total of 598 useable responses returned. Of this sample, a total of 462 participants (77%) had previously taken an overseas holiday. The mean likelihood of respondents taking an overseas holiday in the next five years on the seven point scale was 5.0, and the top three preferred destinations for respondents were New Zealand, England and the United States of America (see Table 3).

#### **Insert Table 3 here**

A high percentage of respondents knew very little about the three South American destinations of interest here, and 80% of responses regarding the evaluation of destination attributes were answered as 0 (Don't know). In addition, the level of previous visitation to the three countries of interest was low: 13 participants had visited Chile (2.2%), 10 had visited Brazil (1.7%), and 14 had visited Argentina (2.3%). Following Durand and Lambert (1988), the decision was made to equate 0 (don't know) as missing data and eliminate all responses with missing data, which left a final sample of 112 respondents. The characteristics of these respondents are summarised in Table 4. The sample comprised 45.6% male respondents and 54.4% female respondents between 18 and 70 years, 72.3% are married, and 27.7% have dependent children.

#### **Insert Table 4 here**

## 4. Results

### 4.1 Validation of measures

Table 5 presents the means for the individual scale items. The Cronbach's Alpha coefficients for the constructs ranged from 0.76 to 0.97, indicating good internal consistency of the items (Kline, 2005).

#### **Insert Table 5 here**

Several approaches were undertaken to establish the validity of the scales used in this study; in particular it was important to establish the convergent validity of the scale items and the ability of these items to discriminate between the constructs of interest in this study. Tests to establish convergent and discriminant validity were undertaken and are presented next along with further evidence to support the validity of the scales used. Fornell and Larcker (1981) suggest that variance extracted is an appropriate, and stringent, test of the internal stability of a scale and the convergent validity of its items. Anderson and Gerbing (1991) offer an alternative heuristic; that significant t-values for the item loadings onto the construct of interest support the convergent validity of scale items. Both assessments of convergent validity were undertaken. All items were found to load significantly onto the constructs that they were used to measure (t value for all items > 10.39). All scales also met the more stringent assessment recommended by Fornell and Larcker (1981), and the variance extracted for each scale exceeded the recommended minimum of 50% (brand salience: VE = 0.75; brand association: VE = 0.93; brand quality: VE = 0.88, brand value: VE = 0.80; brand loyalty: VE = 0.90).

Evidence that the scales discriminate between the constructs that they purport to measure is provided if the average variance explained by a construct's items is greater than the construct's shared variance with every other construct (i.e., AVE > the square of the inter-

factor correlations between any two constructs ( $\phi^2$ ) (Fornell & Larcker, 1981). The inter-factor correlations ( $\phi$ ), squares of the inter-factor correlations ( $\phi^2$ ), and average variances extracted are reported in Table 6. Analysis of the data provides strong evidence of discriminant validity, with the average variance of each construct being greater than its shared variance with any other construct. It is therefore reasonable to assume all of the scales display discriminant validity.

#### **Insert Table 6 here**

Having established that each of the scales measuring various constructs of interest do indeed discriminate between these constructs, the next stage in the analysis was to examine composite reliabilities of each of the scales (Anderson & Gerbing, 1991; Hair, Anderson, Ronald, & Black, 1998). These all exceed the recommended standards of Bagozzi, Yi and Phillips (1991) and Hair et al. (1998), providing evidence of the internal consistency of the construct indicators (brand salience: CR = 0.92; brand association: CR = 0.98; brand quality: CR = 0.97; brand value: CR = 0.94; brand loyalty: CR = 0.97). This suggests that the scale items do indeed measure the latent constructs that they purport to.

The final empirical assessment of the scales was to investigate the presence of systematic measurement errors (bias). The potential for acquiescence bias was minimised by including both positively and negatively worded questions as recommended by Baumgartner and Steenkamp (2001). A further post-hoc test for common method bias, a Harman's (1967) one-factor test, was performed. All of the self-report items were entered into a principal components factor analysis with varimax rotation. According to this technique, if a single-factor emerges from the factor analysis, or one-factor accounts for more than 50% of the variance in the variables, common method variance is present (Mattila & Enz, 2002). Our analysis revealed a four-factor structure with no general factor present (the first factor accounted for 20% of the variance). Although this test does not rule out the presence of

common method bias, combined with the measures taken in the questionnaire design to minimise acquiescence bias, it does provide support for the absence of such a general bias in the findings (Mattila & Enz, 2002).

#### *4.2 Validation of conceptual model*

Having established that the measures used in this study display adequate psychometric properties, and appear to be free of systematic bias, the next stage in the research was to validate the hypothesised conceptual model presented in Figure 1. The data from all three countries were amalgamated and analysed using structural equation modelling, employing partial least squares estimation using SmartPLS 2.0 (PLS) (Ringle, Wende, & Will, 2005). Partial least squares estimation has several important benefits over the maximum likelihood estimation method (Chin, 1998; Fornell & Bookstein, 1982; Hulland, 1999; Wold, 1985). PLS path modelling is component-based approach to structural equations modelling, compared to covariance based (as in LISREL). Consequently, PLS analysis does not require multivariate normal data; it places minimal requirements on measurement levels and is more suitable for small sample sizes. Moreover PLS path modelling is considered to be more appropriate for complex models and, most importantly in this research, can more easily accommodate formative indicators (Chin, 1998; Hulland, 1999; MacCallum & Browne, 1993). In tourism research, PLS has been used to model CBBE for an itinerant art exhibition in Spain (Camarero, Garrido, & Vicente, 2010) and the visitor relationship orientation of DMOs (Pike, Murdy, & Lings, 2011). Analysis reveals support for proposed model;  $R^2$  brand loyalty = 0.81 suggesting good model fit. In evaluating the adequacy of structural models Chin (1998) suggests that  $R^2$  of ~0.66 indicates substantial model fit.

#### *4.3 Country analysis*

The next stage of the analysis was to examine the inferred causal relationships between

loyalty and its predictors in each of the countries studied (Argentina, Brazil and Chile). The data pertaining to each destination country were fitted to the conceptual model. Examination of the fit criteria (AVE, Composite reliability, AVE of  $\phi^2$ ,  $R^2$ ), suggests that the model performs adequately for each country studied, in addition to the composite data set of all countries reported above. To compare the drivers of destination brand loyalty the strength of the predictor variables was compared across the three countries studied. The results are shown in Table 7.

**Insert Table 7 here**

We can see from the results presented in Table 7 that in all instances brand quality is not a significance predictor of brand loyalty. Brand value has the strongest impact on loyalty and brand association also has a substantial and significant impact on loyalty. The effect of brand salience varies across the countries studied in this project and plays a small but significant part in predicting loyalty for travellers considering Brazil and Chile as destinations. However, awareness of Argentina as a tourism destination does not appear to have any impact on respondents' loyalty towards the country.

Overall, the results indicate that destination brand salience is significantly and positively related to attitudinal destination brand loyalty for Brazil and Chile, but not for Argentina, provide partial support for Hypothesis 1. Further, the results indicate that destination brand association is significantly and positively related to destination brand loyalty for all three countries, fully supporting Hypothesis 2. The data show that destination brand quality is not significantly related to destination brand loyalty in any of the three countries. Therefore Hypothesis 3 is not supported. Finally, the data show that destination brand value is strongly, significantly and positively related to destination brand loyalty for all three countries. Thus, Hypothesis 4 is fully supported.



## 5. Discussion

The aims of this study were to a) evaluate the suitability of a CBBE model for three South American countries as long haul destinations for Australian travellers, b) test the relationships among the proposed dimensions of destination CBBE, and c) contribute to the literature on long haul destination brand loyalty. This study contributes to the growing field of tourism destination branding by addressing an important gap in the literature regarding research relating to South American destinations. This is significant because this region had the largest tourism growth in 2012 (WTO, 2012). This study was conducted at the end of 2012, when closer relations between Australia and Chile, Brazil, and Argentina were being fostered, and a direct air service between Sydney and Santiago commenced (LATAM, 2012). The results provide a snapshot of the brand equity of Chile, Brazil and Argentina for a long-haul travel market.

### *5.1 Conceptual implications*

Drawing on the consumer-based brand equity model advanced by Aaker (1991, 1996) and Keller (1993, 2003), this study contributes to the tourism destination branding literature by testing a conceptual model of destination brand performance for Argentina, Brazil and Chile among a sample of Australian long-haul travellers. The findings show a good fit of the model to the data, demonstrating significant and positive relationships between destination brand salience, brand association, brand value (but not brand quality), and destination brand attitudinal loyalty (the dependent variable in the proposed model).

Although previous literature provides several studies on destination branding, there is an agreement among scholars that the issue of destination brand loyalty has not been sufficiently investigated (Eusébio & Vieira, 2013; Yoon & Uysal, 2005). Attitudinal loyalty considers

intention to visit, as well as recommendations to others. It is suggested that, short of actual visitation, stated intent to visit is the most important perceptual performance indicator for emerging long haul destination marketers (McKercher & Tse, 2012). In addition, for DMOs, intention to visit represents an important indicator for future performance.

This is the first study to model and compare three South American destination's CBBE for a long haul tourist market. Most published research in this field has focused on destination brand initiatives aimed at travellers from geographically close markets (e.g., Huang & Gross, 2010; Kao, Patterson, Scott, & Li, 2008; Li & Carr, 2004; Pan & Laws, 2003). Thus, this study contributes to the limited research on long-haul tourism (Bao & McKercher, 2008; Bianchi & Pike, 2011; Ho & McKercher, 2012).

## *5.2 Practical implications*

The findings show that Argentina, Brazil and Chile are not highly considered among Australian travellers in terms of brand equity dimensions. The highest mean for any scale item was the Australian respondents' perception that Brazil and Argentina had "high levels of personal safety" (5.91 and 5.85) respectively as a holiday destination. The lowest scale items evaluated were: "I have seen lots of advertising promoting holidays in this destination (means of 3.19 (Argentina), 3.09 (Brazil), and 3.10 (Chile), and also "considering what I pay for a trip, I get much more for my money's worth visiting this destination", with means of 3.72 (Argentina), 3.26 (Brazil), and 2.92 (Chile). Evidently, Australian travellers have not been exposed to advertising campaigns for these countries and their opinions of South American countries seem to be organically formed rather than induced by marketing (Gunn, 1988). This organic image provides a solid base for future national tourism brand building.

The low ratings across all items in the brand equity model for Argentina, Brazil, and Chile as holiday destinations, and especially on the brand value items are of concern. Brand value

is a key driver of destination loyalty in the model, and clearly the cost of travelling to these markets from Australia is a major inhibitor to visiting these destinations. This implies that Australian travellers perceive these countries as an expensive destination, relative to the benefits obtained, perhaps due to distance. This is congruent with previous studies which show that distance plays a vital role in influencing tourism demand because the act of travelling requires an investment in time and money (Ho & McKercher, 2012; McKercher & Lew, 2003).

Of the four dimensions of destination equity, the best results for the South American countries were found in the perceptions of quality scale items. Most participants had not previously visited either of these countries, however, their perception of quality was relatively high, the association between this construct and brand loyalty was very weak. Furthermore, although brand quality is the highest scoring dimension of brand equity for Brazil and Argentina, the modelling results show that it is not significantly related to brand loyalty. This suggests that although Australian travellers perceive these nations to have good quality facilities, this does not impact on their intentions to choose them for holidays.

Brand salience is concerned with active consideration of a given travel situation. The brand salience results suggest that Argentina, Brazil and Chile are not well known or compelling destination brands for Australian travellers. These results were supported by the unaided top of mind awareness destination preferences elicited, where none of these countries were mentioned as the top 10 preferred destinations. Also, it should be noted that brand salience scores were at the midpoint and not strongly associated with brand loyalty, especially regarding the question regarding having seen a lot of advertisement promoting holidays in these destinations (scores between 3.09-3.19). On this basis it is suggested that low brand awareness probably reflects the low priority given by Australians to South American countries as tourist destinations. These results suggest that future advertising by the

national tourism offices of Argentina, Brazil and Chile should focus on image building and creating awareness among these Australian travellers.

### *5.3 Limitations and future research*

Several limitations may affect the generalisability of the results of this study. First, this empirical investigation considers only the perceptions of Australian consumers with regards to Chile, Brazil and Argentina as holiday destinations. Thus, the analysis was limited to these countries. More research needs to be undertaken with consumers located in other markets of interest to these South American markets, such as North America, Europe and other countries located in the Asia-Pacific region.

Second, this study only considers attitudinal destination loyalty and not behavioural loyalty. Several authors argue that both attitudinal and behavioural loyalty should be considered for assessing destination loyalty to capture consumer's overall attitudes and behaviour (Eusébio & Vieira, 2013). However, for long haul destination markets, attitudinal loyalty might be more relevant because potential travellers might have a positive attitude to a destination based on word of mouth recommendations or travel programs, but not necessarily be able to visit the destination.

This study will assist future research investigating aspects of destination brand equity for long haul markets. We propose three opportunities for future research. First, our literature review found scant research addressing the travel motivations of Australian consumers with regard to South American destinations. More insights are required into the motivations of long-haul travellers from the Australia and other Asia Pacific nations. Second, future replications of this study will deliver performance indicators for current branding efforts by the national and regional tourism organisations from these countries. Following Keller (2003), it is also suggested that the results provide insights towards future performance for

each individual country. Given that the research was undertaken at the commencement of a new brand campaign and direct air service between Chile and Australia, the data provides benchmarks for future performance tracking.

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